

In India, real GDP advanced 8.4% year-on-year in Q4 2023. This marked the fastest rate of expansion in the last six quarters, lifting growth for the full year to 6.7%. India's composite PMI is deeply in expansionary territory, reaching 60.6 in February, confirming momentum has successfully carried over from the previous year. The IMF's forecast is for India's real GDP to advance by 6.5% in 2024, the highest rate of growth among major economies.

Outlooks in other large emerging markets are generally constructive. Real GDP in Mexico advanced 3.4% year-on-year in 2023. Despite maintaining a record high central bank policy rate of 11.25% throughout 2023, domestic demand has fared well to date. Meanwhile, booming exports to the U.S., Mexico's largest trading partner, have also been a key support to growth. Real GDP in Mexico is expected to expand by 2.7% in 2024 per IMF estimates. In Brazil, the benchmark interest rate has been falling since August 2023. Real GDP is forecast to moderate to 1.7% in the year ahead, but less restrictive financial conditions should help smooth the economy's deceleration.

Emerging markets remain subject to significant external pressures, including tight global financial conditions, slowing growth in developed markets and increased currency volatility. The region has navigated these headwinds well and is set to benefit from sustained central bank rate cuts in the year ahead. In aggregate terms, emerging market growth is forecast to remain broadly stable. The IMF anticipates real GDP growth of 4.1% in 2024.

FIRST QUARTER

From 01-JAN-2024 to 31-MAR-2024

	Total Return (%)			Ending Weight (%)			Selection Effect (%)	Allocation Effect (%)*	Total Attribution (%)
	Port	Bmk	Diff	Port	Bmk	Diff			
Consumer Staples	15.4	-4.3	19.7	4.7	5.6	-0.9	1.1	0.0	1.1
Industrials	4.6	1.4	3.2	23.3	7.0	16.4	0.7	-0.2	0.6
Materials	0.5	-4.6	5.1	6.5	7.2	-0.7	0.3	0.1	0.4
Utilities	4.7	3.5	1.1	23.9	2.8	21.1	0.2	0.1	0.4
Financials	3.3	2.3	1.0	10.6	22.4	-11.7	0.1	0.0	0.1
Energy	11.5	6.9	4.6	4.1	5.3	-1.2	0.2	-0.1	0.1
Consumer Discretionary	-2.4	-0.5	-2.0	7.8	12.4	-4.6	-0.1	0.2	0.1
Communication Services	-8.4	0.8	-9.2	2.2	8.6	-6.4	-0.2	0.1	-0.1
Real Estate	-6.6	-6.0	-0.6	5.4	1.5	3.9	0.0	-0.3	-0.4
Health Care	-17.0	-4.5	-12.5	7.9	3.5	4.4	-1.1	-0.3	-1.4
Information Technology	-8.1	9.9	-18.0	3.5	23.7	-20.3	-0.8	-1.3	-2.1
	1.1	2.4	-1.3	100.0	100.0		0.3	-1.6	-1.3

* Includes interaction: a mathematical consequence of the allocation and selection effects rather than an actively made investment decision.

The performance of the Letko Brousseau Emerging Markets Equity Fund (the "Fund") in the first quarter was 1.1%, while the MSCI Emerging Markets Total Return Net Index returned 2.4% for a difference of -1.3%.

Consumer Staples

The Consumer Staples sector led by the largest respective holding, First Pacific Co. provided strong outperformance of 19.7% versus the benchmark during the quarter. First Pacific is a prominent investment management and holding company focusing on emerging Asian economies, predominantly in Indonesia and the Philippines. PT Indofood, in which First Pacific holds a 50.1% stake, stands out as the world's largest wheat instant noodle producer and Indonesia's leading food company. PLDT, where First Pacific owns a 25.6% stake, dominates the Philippine telecommunications sector with its extensive network infrastructure. Meanwhile, MPIC, with a 42% stake, leads infrastructure investment in the Philippines, focusing on Toll roads, Power, Water, Hospitals, Rail, and Logistics. Its consistent performance contributes significantly to First Pacific's overall profitability. These core investments exemplify First Pacific's diversified portfolio and strategic positioning across essential sectors in emerging markets.

Industrials

During the first quarter the Industrials sector sustained robust performance, with our holdings outperforming the sector benchmark by a significant 3.2%. Santos Brasil Participações (Santos) was the fund's top performer during the period with a respective return of 37.9%. Santos is a prominent figure in Brazil's port industry, overseeing three vital container terminals and associated logistics operations. These terminals collectively manage a substantial portion of Brazil's container traffic. Tecon Santos, Brazil's largest port, stands out as the primary revenue generator, commanding a significant market share at the Port of Santos. Santos's network ensures efficient movement of goods of both domestic and international cargo, including imports such as automobiles and chemicals, and exports such as commodities and food products.

Utilities

The Fund's Utilities holdings delivered a positive return of 4.7%, slightly ahead of the benchmark, resulting in a relative outperformance of 1.1%. Notably, a significant contribution to the positive return came from Manila Water,



providing a positive return of 20.0% during the quarter. Manila Water is a prominent provider of water and sewage services, primarily catering to the East Zone of Manila, covering a population of over six million across 23 cities. Manila Water boasts a remarkably low water loss ratio of 11%, a testament to its efficiency in managing water resources. Beyond its core local Manila operations, the company has been actively expanding its footprint. Non-Manila operations now constitute about 14% of its total domestic business, indicating successful diversification efforts. Moreover, the company has ventured into Southeast Asian markets, including Vietnam and Thailand, leveraging joint ventures and associates to establish a regional presence. This strategic expansion underscores the company's commitment to growth and underscores its potential to capitalize on opportunities beyond its traditional markets.

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